

REMARKS
OF
DONALD FINEFROCK, PRESIDENT & CEO
KIRKHILL RUBBER COMPANY
JULY 13, 1994
TO
STATE WATER RESOURCES CONTROL BOARD

Mr. Chairman and members of the Board, my name is Donald Cardner. I am the Director of Environmental Affairs, speaking on behalf of Donald Finefrock, the President and Chief Executive Officer of Kirkhill Rubber Company, which is located in the City of Brea, in Orange County.

I appreciate this opportunity to address your board on behalf of *our* Board of Directors as well as the 550 outstanding men and women employed by Kirkhill Rubber Company.

By way of brief background, Kirkhill Rubber Company--which is celebrating its 75th anniversary of doing business in California this year--has been successful in creating and maintaining quality jobs, even through war, the Great Depression and other economic hard times. In those 75 years, our firm has developed a widespread reputation for manufacturing the highest quality of custom rubber components ranging from concrete pipe gaskets, to insulation for NASA's Space Shuttle's solid propellant booster rockets. Kirkhill's products range from outer space to inner space.

Throughout the years, Kirkhill's ability to grow has been attributable both to its flexibility and the foresight to invest in advanced technology. As a business that depends on water for its manufacturing processes, one long-standing technological commitment that we have made is to effective and efficient methods of water conservation and recycling.

During the most recent drought which lasted nearly seven years, the employees and management of Kirkhill collectively did our part to minimize the use of imported water.

But we can't eliminate the use of water in our manufacturing processes. In order to remain successful, we need to rely on the fact that we will have the water we need.

Our employee/owners should be able to count on a reliable water supply as part of their job security. Certainly, our customers shouldn't have to be concerned whether we have a reliable water supply when they place orders with us--we have competitors in other states who don't have the water worries that we face today, and whose reliable water supplies may be reflected in their prices and delivery schedules.

As a governmental agency perhaps your board isn't aware of the competition among other states to recruit businesses from California--although I can't imagine other states seeking to import another governmental body! In fact, the other states are promoting their relative freedom from the numerous regulatory burdens imposed on California businesses, and, I must say, those pitches are becoming increasingly attractive.

In recent years, Kirkhill Rubber Company has been contacted by the business and economic development agencies for Nevada, Utah, New Mexico, Iowa and Oklahoma, to name a few. Their incentives are most attractive.

During the same time, our Kirkhill management team has been following--and increasingly concerned about--the escalating environmental and water supply problems of California's Sacramento-San Joaquin Bay-Delta Estuary, and the related actions of various state and federal agencies.

I am appearing before you now, along with executives of other businesses and industries from throughout California, to urge you to end this gridlock. I understand this may be the first time that the business communities of both Northern and Southern California have come together and agreed on a statewide water issue; I'm sure you realize that is no small accomplishment, but the issue that brings us here today is equally monumental.

Certainly you are aware that the bay-delta is the fulcrum for the economy of the entire state, and in its present state the bay-delta is tipping our economy off balance. And certainly you know that California's economy has taken some extremely serious blows in the last few years, and is struggling to regain its momentum. So, hopefully, it follows that you will do all in your power to resolve this matter.

May I suggest your approach? IMMEDIATELY begin working with federal agencies to develop bay-delta water quality and flow standards and an ecosystem plan that addresses the multitude of factors affecting the health of the delta. Establish a joint state-federal task force, set yourselves a deadline--such as the end of this year--and get it done.

Now, I know that the federal agencies that have stepped into this matter have issued their set of proposed standards for bay-delta operation. And I recall that this body was working toward its own set of standards when, for various reasons, that work was set aside.

But I also understand that the federal agencies have expressed their willingness to compromise and to arrive at standards that are mutually acceptable. In fact, the EPA and Department of Interior have emphasized the desirability of state action on delta standards.

So, I urge you to reassert your primacy in this matter and bring it to a conclusion. I think substantial progress can--*must*--be made this year.

Kirkhill Rubber Company is committed to remaining in California, but we believe that in return, the State of California must make a commitment to us.

And that commitment should be that you will work quickly and diligently to resolve the bay-delta's problems and reassure us--and the other California businesses and industries that depend on bay-delta water--that we will have a reliable, economic and environmentally sensitive water supply.

I thank you.